

Charity registration number 1187279 (CIO)

**LEWISHAM ISLAMIC CENTRE (LIC)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

# LEWISHAM ISLAMIC CENTRE (LIC)

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Taofik Akande Zillur Rahman Imam Shakeel Begg Yacine Delilache Ali Bajwa Sameel Meer Aminuddin Meer
<b>Secretary</b>	Zillur Rahman
<b>Charity number</b>	1187279 (CIO)
<b>Auditor</b>	AGP Consulting Q West Great West Road Brentford TW8 0GP

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# LEWISHAM ISLAMIC CENTRE (LIC)

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# LEWISHAM ISLAMIC CENTRE (LIC)

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2022*

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The Trustees present their annual report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The charity's objects are the furtherance of the religion of Islam and the furtherance of Islamic Education.

The Charity operates a mosque as a place of worship, to provide Islamic education to children and adults.

To provide spiritual, social, educational and moral support for Muslims and people of other faiths, of all ages, race and gender.

The advancement and a better understanding of the religion of Islam, specifically in the London Borough of Lewisham, its surrounding areas and nationally.

To foster better community relations and work for the betterment of society as a whole, including the provision of social welfare where possible.

The relief of poverty, and work towards the eradication of all forms of discrimination.

Promote such other charitable purposes as may from time to time be determined

In pursuance of these objects, the Charity hosts a range of services and activities for the benefit of the public.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit Charities and Public Benefit.

We continued to offer a wide range of services for Muslims and non-Muslims, often in partnership with others. The Charity places strong emphasis on building relationships with others so we can work together for the common good.

# LEWISHAM ISLAMIC CENTRE (LIC)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Achievements and performance

The services and activities of LIC continue to run under the following departments:

#### Da'wah (Islamic Propagation) Office

This office is overall lead by the Centre Imam, who is supported by two other deputy Imams, who manage spiritual and moral development of the community through leading:

- Daily Prayers, weekly classes and monthly Lectures, Friday and Eid Sermons, serving normally 5,000 congregants in a week.
- Arranging for visitors, organising outreach, holding meetings and weekly Da'wah sessions and annual open days
- Imam's Surgery, which includes: counselling, Marriage solemnisation, dispute resolution

#### Education & Youth Development

LIC has a number of educational projects serving all sections of the community. The projects are run by professionals with the support of dedicated volunteers helping meet the needs of the community

*The Young Muslim Academy & Lewisham Hifz Institute (LHI)* - the YMA is an evening and weekend supplementary school for children aged 5- 16 years old providing tuition in Quran and Islamic studies, serving approximately 400 students.

*Adult Education & Halaqa* - The Adult education focuses on Arabic classes for in the evenings and weekends provision are in place for approximately 100 students.

#### Community engagement

We are working on two fronts; providing events and activities that will engage and enthuse our community members and also working with partners and other bodies for the betterment of our centre.

Community events and engagements:

LIC runs a Youth Club, Scouts group, LIC Seniors Football Club for the over 40's, there is a Mother & Toddler Group providing for 8-10 toddlers with a contribution required of only £1 a week

Mother and toddler group runs every Thursday 11am to 1pm, in the community club. They read Quran and Stories to children and spend time talking and doing other activities.

On average 8 – 10 sisters attend regularly and make a contribution of £1 a week, Deen and Dinner, this is a ladies event offers a monthly social event for ladies to have fun and share food with crèche facilities for their children. This event has gained popularity and attracts between 30 – 50 every month.

All these programmes have helped to build and promote strong cohesion in the community. LIC has become reputable among its surrounding and wider community groups including other Mosques and centres because of its ability to utilise infrastructure and experience to deliver tailored programmes that foster unity

#### Economic Growth & Development

LIC has provided space for local business to enable them to provide vital services for the community, specifically

An – Nur Gym – providing martial arts and self-defence classes for the public benefit (Muslims and non-Muslims alike), the services caters for male and female as well as holding special sessions for children

WOW bookshop – information hub and one stop shop for Islamic clothing, books and miscellaneous items.

Estate management – rental income from flats has been a vital source of income, at the same time we provided crucial service to the community by housing local authority refugee families.

# LEWISHAM ISLAMIC CENTRE (LIC)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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The Charity has flats adjacent to the main mosque, these have been acquired for investment and will ultimately be part of the mosque's expansion programme. Currently it yields an income of circa £85k (2021-£33k for 6 months) which gives a yield of 19% on an investment value of £1.6m. Which is acceptable for the charity.

#### **Financial review**

At the balance sheet date, the charity had net assets of £3,686,977 (2021-£3,538,880).

The trustees consider the financial performance of the charity during the year to be satisfactory.

But, to achieve this, due to the Coronavirus Pandemic carried out financial reviews of the prevailing situation and in order to safeguard the Charity's assets made some hard decisions to curtail and reduce services in order to minimise costs which regrettably meant making some redundancies. Core staff were retained to continue providing reduced essential services.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Risk**

The trustees acknowledge their responsibility to manage the risks faced by the charity. They have identified and given due consideration to the risks to which the charity may be exposed and are satisfied that systems are in place to mitigate exposure to those risks.

The Charity identifies and monitors risks in the areas of compliance, reputation, financial management, governance and operations, and puts in place measures to mitigate these risks, especially those deemed as major. These measures, backed by regular review, ensure strong protection of the charity.

Amongst the key measures the Charity has in place are:

- DBS checks whenever appropriate for staff, volunteers and trustees
- scrutiny of policies and procedures by the Governance, Compliance and Audit Committee
- regular monitoring by trustees of the reserves policy and the risk register
- all suitable insurance policies

Security is kept continuously under review. The Charity maintains close contacts with the local police force and other agencies, such as the Tension Monitoring Group.

# LEWISHAM ISLAMIC CENTRE (LIC)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Plans for future periods

We aim to consolidate and improve our end user services by utilizing our resources more efficiently.

The trustees are currently exploring the possibility of building a purpose-built Centre servicing all the Muslim community's needs. Designs for the new building have been prepared for consultation with the community.

A new purpose built £10 million project was approved by the Trustees 11th June 2019 which will encompass a multi-purpose Community and Religious Facility as well as a Residential Complex comprising a number of apartments.

The project is currently progressing through a formal planning proposal with the local council planning department who have expressed their support for the scheme. The design incorporates Islamic Architecture while opting for more modern building features in place of overt religious symbols such as domes or minarets.

The development seeks to replace an existing outdated facility which has served the community since the early 1980s.

The new centre will include prayer halls, a library, training centre, classrooms, lecture and multifunction halls, a cafe, crèche/nursery, and sports facilities.

Another key part of the development is an apartment block comprising of 1,2 and 3 bed apartments which will serve as a key driver to both fund the project and going forward as source of income for the LIC.

The development is now estimated to cost £10.5M and subject to the availability of funding and will take 2-3 years to complete.

#### Structure, governance and management

The Charity was formally registered as a Charitable Incorporated Organisation ("CIO") on 9 January 2020. The reporting period is for 12 months since the initial nil report. However this is the first period of activity of the Lewisham Islamic Centre Charity CIO and results presented are from the 1 March 2021 to 31st August 2021. The former unincorporated Charity was formally closed on the 28th February 2021 and an application to remove from the registrar of the Charities Commission has been made. All assets and liabilities from the Old Charity have been transferred to the new CIO registered Charity.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Taofik Akande  
Zillur Rahman  
Imam Shakeel Begg  
Yacine Delilache  
Ali Bajwa  
Sameel Meer  
Aminuddin Meer

The appointment of Trustees is set out in the constitution of the Charity. Trustees must be a practicing Muslims following the Sunni school of thought, must be a resident within the London Borough of Lewisham, or if the charity trustees wish to appoint someone who lives outside this Borough as a charity trustee, then this person must be able to establish an association with the LIC and must be unanimously appointed by all of the Charity's trustees.

# LEWISHAM ISLAMIC CENTRE (LIC)

## TRUSTEES' REPORT (CONTINUED)

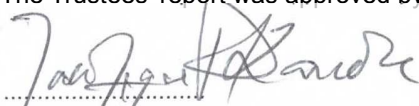
### **FOR THE YEAR ENDED 31 AUGUST 2022**

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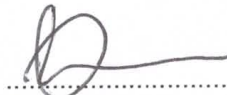
Trustee's set policy, processes and make financial decisions. The day-to-day management of the charity was delegated to the Chief Imam, who is also a Trustee, he is assisted in admin duties by an accountant, who is also a Trustee and admin manager who oversees staff and their duties and other administrative matters.

There is an induction program for new trustees, which includes reviewing key documents that are considered essential, and expectations for appropriate training are set out. The Board of Trustees typically meets every month to discuss the progress of the Charity and to consider any changes that maybe necessary, arising out of review of results and other factors.

The Trustees' report was approved by the Board of Trustees.



Taofik Akande  
**Trustee - Chairman**



Zillur Rahman  
**Trustee - Secretary**

18 May 2023



# **LEWISHAM ISLAMIC CENTRE (LIC)**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

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The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# LEWISHAM ISLAMIC CENTRE (LIC)

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF LEWISHAM ISLAMIC CENTRE (LIC)

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#### Opinion

We have audited the financial statements of Lewisham Islamic Centre (LIC) (the 'Charity') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

# LEWISHAM ISLAMIC CENTRE (LIC)

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF LEWISHAM ISLAMIC CENTRE (LIC)

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#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the Charity and the industry in which it operates, drawing on our sector experience and considered the risk of acts by the Charity that could be contrary to these laws and regulations, including fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including but not limited to, the Charity Commission, and other relevant laws and regulations.

We made enquiries of trustees, with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the trustee meetings, legal reports provided to the Charity and correspondence between the Charity and its solicitors. Audit procedure performed by the engagement team included:

- Discussion with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Review of financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by trustees in their significant accounting estimates;

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

# **LEWISHAM ISLAMIC CENTRE (LIC)**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF LEWISHAM ISLAMIC CENTRE (LIC)**

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#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Forhad Ahmed (Senior Statutory Auditor)**  
**for and on behalf of AGP Consulting**

18 May 2023

**Chartered Accountants**  
**Statutory Auditor**

Q West  
Great West Road  
Brentford  
TW8 0GP

AGP Consulting is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# LEWISHAM ISLAMIC CENTRE (LIC)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<b>Income from:</b>					
Donations and legacies	3	257,109	158,905	416,014	322,687
Charitable activities	4	86,937	90,012	176,949	40,885
Other trading activities	5	48,832	-	48,832	17,033
<b>Total income</b>		<b>392,878</b>	<b>248,917</b>	<b>641,795</b>	<b>380,605</b>
<b>Expenditure on:</b>					
Raising funds	6	24,791	-	24,791	5,349
Charitable activities	7	388,879	80,028	468,907	185,973
<b>Total expenditure</b>		<b>413,670</b>	<b>80,028</b>	<b>493,698</b>	<b>191,322</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(20,792)</b>	<b>168,889</b>	<b>148,097</b>	<b>189,283</b>
Funds transferred in from previous year		3,140,305	398,575	3,538,880	3,349,597
<b>Fund balances at 31 August 2022</b>		<b>3,119,513</b>	<b>567,464</b>	<b>3,686,977</b>	<b>3,538,880</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# LEWISHAM ISLAMIC CENTRE (LIC)

## BALANCE SHEET

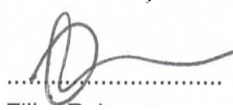
AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	13	1,194,299		1,195,893	
Investment property	14	1,615,000		1,615,000	
		<u>2,809,299</u>		<u>2,810,893</u>	
<b>Current assets</b>					
Debtors	15	25,088		42,959	
Cash at bank and in hand		905,479		715,044	
		<u>930,567</u>		<u>758,003</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(52,889)</u>		<u>(30,016)</u>	
Net current assets			877,678		727,987
<b>Total assets less current liabilities</b>			<u>3,686,977</u>		<u>3,538,880</u>
<b>Income funds</b>					
Restricted funds			567,464		398,576
Unrestricted funds			3,119,513		3,140,304
			<u>3,686,977</u>		<u>3,538,880</u>

The financial statements were approved by the Trustees on 18 May 2023



Taofik Akande  
Trustee - Chairman



Zillur Rahman  
Trustee - Secretary

# LEWISHAM ISLAMIC CENTRE (LIC)

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2022**

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21		201,711		237,386
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,276)		(9,749)	
Payment for investment loans and receivables		(10,000)		(10,000)	
<b>Net cash used in investing activities</b>			(11,276)		(19,749)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			190,435		217,637
Opening Cash/Cash transferred in			715,044		497,407
<b>Cash and cash equivalents at end of year</b>			905,479		715,044

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The notes on pages 13 to 24 form part of these financial statements.

# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

##### Charity information

Lewisham Islamic Centre (LIC) is a registered as as Charitable Incorporated Organisation ("CIO") Foundation on the 9 January 2020 under registration number CE020242 and is registered with the Charities Commission under registration number 112729. It's registered address is 363-365 Lewisham High Street, London, SE13 6NZ.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

##### 1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.



# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Nil
Plant and equipment	25-33% on a reducing balance basis
Fixtures and fittings	25% on a reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

No depreciation is provided on the charity's freehold properties since in the opinion of the trustees the expected useful lives are sufficiently long and the estimated residual value values are sufficiently high that any such depreciation would be immaterial. The trustees undertake an annual impairment review of these properties.

#### 1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the year in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# **LEWISHAM ISLAMIC CENTRE (LIC)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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### **2 Critical accounting estimates and judgements**

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised where the revision affects only that year, or in the year of the revision and future periods where the revision affects both current and future periods.

# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	257,109	158,905	416,014	150,924	142,743	293,667
Government grants	-	-	-	17,071	11,949	29,020
	<u>257,109</u>	<u>158,905</u>	<u>416,014</u>	<u>167,995</u>	<u>154,692</u>	<u>322,687</u>
<b>Donations and gifts</b>						
General donations	255,808	-	255,808	137,271	-	137,271
Mosque development fund	-	155,915	155,915	-	139,793	139,793
Funeral fund	-	2,990	2,990	-	2,950	2,950
Gift aid	-	-	-	13,653	-	13,653
Other	1,301	-	1,301	-	-	-
	<u>257,109</u>	<u>158,905</u>	<u>416,014</u>	<u>150,924</u>	<u>142,743</u>	<u>293,667</u>

# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Charitable activities

	Worship	Educational	Total 2022	Worship	Educational	Total 2021
	2022	2022		2021	2021	
	£	£	£	£	£	£
Sales within charitable activities	1,250	90,012	91,262	1,565	6,355	7,920
Charitable rental income	85,687	-	85,687	32,965	-	32,965
	<u>86,937</u>	<u>90,012</u>	<u>176,949</u>	<u>34,530</u>	<u>6,355</u>	<u>40,885</u>
<b>Analysis by fund</b>						
Unrestricted funds	86,937	-	86,937	34,530	-	34,530
Restricted funds	-	90,012	90,012	-	6,355	6,355
	<u>86,937</u>	<u>90,012</u>	<u>176,949</u>	<u>34,530</u>	<u>6,355</u>	<u>40,885</u>

### 5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fundraising events	<u>48,832</u>	<u>17,033</u>

### 6 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fundraising and publicity		
Staging fundraising events	24,791	2,500
Expenses in generating property income	-	2,849
	<u>24,791</u>	<u>5,349</u>
Fundraising and publicity	<u>24,791</u>	<u>5,349</u>

# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 7 Charitable activities

	Educational	Worship	Events and outreach	Total 2022	Educational	Worship	Events and outreach	Total 2021
	2022	2022	2022		2021	2021	2021	
	£	£	£	£	£	£	£	£
Staff costs	59,171	17,608	-	76,779	30,565	17,608	-	48,173
Telephone and internet	1,317	-	-	1,317	-	-	-	-
Stationery and miscellaneous	9,816	-	-	9,816	-	-	-	-
Equipment hire	294	-	-	294	-	-	-	-
Bank charges	124	-	-	124	-	-	-	-
Bad debts	1,309	-	-	1,309	4,965	-	-	4,965
Iftar, Eid, Media and other outreach work	-	-	11,909	11,909	-	-	19,294	19,294
	<u>72,031</u>	<u>17,608</u>	<u>11,909</u>	<u>101,548</u>	<u>35,530</u>	<u>17,608</u>	<u>19,294</u>	<u>72,432</u>
Share of support costs (see note 9)	-	362,959	-	362,959	857	106,234	-	107,091
Share of governance costs (see note 9)	4,400	-	-	4,400	6,450	-	-	6,450
	<u>76,431</u>	<u>380,567</u>	<u>11,909</u>	<u>468,907</u>	<u>42,837</u>	<u>123,842</u>	<u>19,294</u>	<u>185,973</u>
<b>Analysis by fund</b>								
Unrestricted funds	4,398	380,567	3,914	388,879	6,451	123,842	19,294	149,587
Restricted funds	72,033	-	7,995	80,028	36,386	-	-	36,386
	<u>76,431</u>	<u>380,567</u>	<u>11,909</u>	<u>468,907</u>	<u>42,837</u>	<u>123,842</u>	<u>19,294</u>	<u>185,973</u>

# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Description of charitable activities

Educational  
Educational

Educational

Worship  
Worship

Worship

Events and outreach  
Events and outreach work

### 9 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	188,726	-	188,726	75,952	75,952
Depreciation	2,870	-	2,870	2,870	2,870
Rates, light and heat	20,271	-	20,271	4,959	5,709
Premises repairs and maintenance	43,841	-	43,841	6,861	6,861
Telephone and internet	13,661	-	13,661	3,490	3,590
Insurance	2,674	-	2,674	1,317	1,317
Professional fees and subscriptions	69,153	-	69,153	4,212	6,212
Stationery and miscellaneous	12,599	-	12,599	3,634	3,634
Equipment hire	2,640	-	2,640	1,865	1,865
Bank charges	5,017	-	5,017	1,531	1,531
Travel and transport	1,507	-	1,507	400	400
Audit fees	-	4,400	4,400	-	3,600
	<u>362,959</u>	<u>4,400</u>	<u>367,359</u>	<u>107,091</u>	<u>113,541</u>
Analysed between					
Charitable activities	<u>362,959</u>	<u>4,400</u>	<u>367,359</u>	<u>107,091</u>	<u>113,541</u>

Governance costs includes payments to the auditors of £4,400 (2021 - £3,600) for audit fees.

### 10 Trustees

No remuneration or expenses were paid to any trustees for their services as trustees. The following trustees were employed by the charity and were remunerated for services provided

# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 10 Trustees

(Continued)

		Remuneration	Pension Contributions
Mr S Begg	(Imam)	£32,000	£-
Mr Y Delilache	(Bookkeeper)	£ 7,617	£-

### 11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Education	17	18
Worship	1	1
Administrative	1	1
Total	19	20

#### Employment costs

	2022 £	2021 £
Wages and salaries	247,929	115,284
Social security costs	15,802	7,811
Other pension costs	1,774	1,030
	265,505	124,125

There were no employees whose annual remuneration was more than £60,000.

### 12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.



# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 13 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 September 2021	1,187,282	63,187	60,153	1,310,622
Additions	-	-	1,276	1,276
At 31 August 2022	1,187,282	63,187	61,429	1,311,898
<b>Depreciation and impairment</b>				
At 1 September 2021	-	59,761	54,968	114,729
Depreciation charged in the year	-	1,142	1,728	2,870
At 31 August 2022	-	60,903	56,696	117,599
<b>Carrying amount</b>				
At 31 August 2022	1,187,282	2,284	4,733	1,194,299
At 31 August 2021	1,187,282	3,426	5,185	1,195,893

### 14 Investment property

	<b>2022</b> £
<b>Fair value</b>	
At 1 September 2021 and 31 August 2022	1,615,000

Investment property comprises freehold property split into 5 flats, which are adjacent to the masjid, these are rented out.. The fair value of the investment property has been arrived at on the basis of a valuation carried out at in Jun 2021 by the letting department of a local estate agents and valuers, who are not connected with the Charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	<b>2022</b> £	<b>2021</b> £
Freehold	1,615,000	1,615,000

### 15 Debtors

	<b>2022</b> £	<b>2021</b> £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,470	1,441
Other debtors	21,301	40,201
Prepayments and accrued income	1,317	1,317
	25,088	42,959

# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 16 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	724	465
Accruals and deferred income	52,165	29,551
	<u>52,889</u>	<u>30,016</u>

### 17 Retirement benefit schemes

#### Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £1,774 (2021 - £1,030).

### 18 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 August 2022 are represented by:			
Tangible assets	1,194,299	-	1,194,299
Investment properties	1,615,000	-	1,615,000
Current assets/(liabilities)	877,678	-	877,678
	<u>3,686,977</u>	<u>-</u>	<u>3,686,977</u>

### 19 Capital commitments

	2022 £	2021 £
At 31 August 2022 the Charity had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	<u>10,500,000</u>	<u>10,000,000</u>

At the balance sheet date the above projected capital commitments were approved by the trustees in relation to the development of a new building at the current site of the mosque.

### 20 Related party transactions

There was one trustee who has children who attend the school operated by the Charity, the fees paid are the normal rate charged by the school.

# LEWISHAM ISLAMIC CENTRE (LIC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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21	Cash generated from operations	2022 £	2021 £
	Surplus for the year	148,097	189,283
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	2,870	2,870
	Movements in working capital:		
	Decrease/(increase) in debtors	27,871	(32,959)
	Increase in creditors	22,873	30,016
	<b>Cash generated from operations</b>	<u>201,711</u>	<u>189,210</u>
22	<b>Analysis of changes in net funds</b>		
	The Charity had no debt during the year.		